



2019 ANNUAL REPORT

REAL ESTABLISHED 1884
REGINA EXHIBITION ASSOCIATION LIMITED

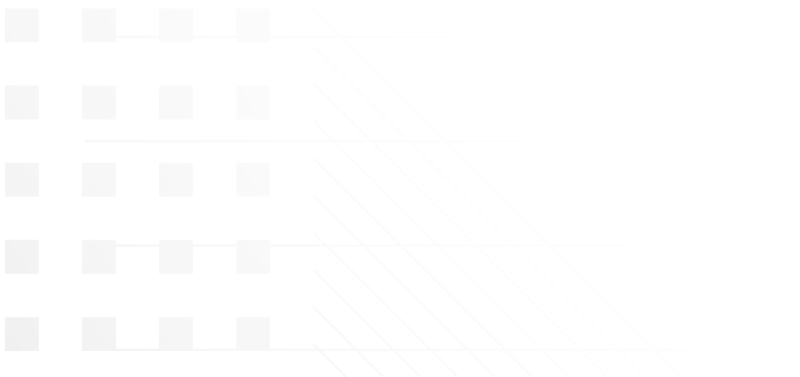
 **EVRAZplace**

OUR VISION

To be the heart of our city and province, a place where people come to live, work and play.

OUR MISSION

To deliver exceptional experiences and foster meaningful memories that make our community a better place.





BRINGING COMMUNITY TOGETHER SINCE

1884



OUR HISTORY

It all began in **1884** when an enthusiastic group of people organized Regina's first-ever agricultural fair in what we know now as downtown's Victoria Park. In time, land was purchased west of Elphinstone Street and became the permanent home of the Regina Agricultural and Industrial Exhibition Association. We played host to events large and small, including the prestigious World's Grain Exhibition and Conference during the heart of the Great Depression.

We became Regina Exhibition Park, and over the years, three major events were born that we still enjoy today: Queen City Ex (formerly Buffalo Days, 1967), Canadian Western Agribition (1970) and Canada's Farm Show (1978). We are now the proud home of the Saskatchewan Roughriders, Regina Pats, Futbol Club Regina, University of Regina Cougars hockey, and many recreational sports, concerts, trade shows, conferences and conventions of all shapes and sizes.

The men and women who began all this more than 130 years ago with a vision to bring the community together could have not imagined what this park would eventually come to be. But throughout our history, one thing has stayed the same: ***we build community***, one memory at a time. Look closely and you'll see it in action—community is, and has always been, at the heart of everything we do. Whether it's family time enjoyed at Queen City Ex, cheering on the home team at Mosaic Stadium or the Brandt Centre, or scoring big to take home that sought-after tournament trophy, we create positive experiences and memories that last a lifetime.

**WE'RE PROUD TO
WELCOME YOU TO OUR
EVRAZ PLACE CAMPUS.**



BUSINESS



SPORTS & REC

ENTERTAINMENT



AGRICULTURE



EXECUTIVE MESSAGE

As we begin a new decade, it's important to take a moment to reflect on the incredible year that was 2019. A year that allowed our Evraz Place campus to showcase its world class facilities once again and to truly shine on a global stage. A year that featured exceptional live entertainment and once-in-a-lifetime moments for our guests. Of course, this successful year would not have been possible without the support of our community, partners, stakeholders and employees.

We have over a century of practice in bringing the community together to experience events of all types from sport and recreation, to concerts and comedians, to tourism and tradeshow. Our ultimate goal is to create lasting memories for our visitors and add to the energy of our amazing community, all while enhancing the economic opportunity and prosperity within our region. The men and women who began all of this in 1884 with a vision to bring the community together could not have imagined what this campus would eventually come to be. But throughout our history, one thing has stayed the same: we build community, one memory at a time. Despite our rich history, 136 years later we are proud to still be experiencing firsts on our property. Country music legend Garth Brooks made his inaugural appearance in the Queen City during a fantastic weekend in August. 80,000 screaming fans gathered in Mosaic Stadium over two nights to enjoy a performance they will not soon forget.

The 2019 Tim Hortons NHL Heritage Classic™ featuring the Winnipeg Jets and Calgary flames was the first-ever regular-season outdoor National Hockey League game played at a neutral site in a non-NHL market. Events of this magnitude reinvigorated Mosaic Stadium as more than just the home of the Saskatchewan Roughriders and demonstrated once again that we can offer the best event-hosting destination in the country.



Sandra Masters
CHAIR OF THE BOARD





Tim Reid
PRESIDENT & CEO



Vision 2020, the guiding light set by Regina Exhibition Association Limited's (REAL) Board of Directors in 2015, came to completion at the end of 2019. The impact of this strategic plan was incredibly far reaching, and can be seen in the billion dollars of infrastructure and \$430M of provincial economic impact that is driven by the campus each year. More than 4,800 jobs locally or nearly one in every 40 jobs within Regina exist because of what occurs on our campus each day.

However, 2020 presents an exciting challenge as we decide what's next for Evraz Place. With the help of the Futures Committee, our Board of Directors have embraced the opportunity to begin the next chapter in the incredible history of our organization. Together, along with a strong public engagement effort, they have developed a new plan for the future. We look forward to this new strategic plan guiding us through the next fifteen years on our property and acknowledge that this is simply the beginning of a new normal for the Evraz Place campus.

We remain incredibly proud to be the heart of Regina, a place that contributes to our economic growth and quality of life through job creation and local spending that builds a strong and vibrant community for us all. To the past leaders and founders of REAL, we offer a sincere "thank you" and to our owners and strongest partner in the City of Regina, we thank you for your leadership and the opportunity to steward such remarkable community spaces.

The 102-acre Evraz Place property continues to thrive because of the REAL team that operates our campus. It is important to take a moment to recognize and thank the dedicated team who are behind all of our successes as an organization. Their ongoing, tireless commitment is the reason we are able to deliver exceptional events that deliver memorable experiences for our guests. Our employees, volunteers, tenants, shareholders and community partners truly are the heart of our organization, and we're honoured to be a part of team that is committed to building a great future for this generation and generations to come.

Lastly, as a community-owned and volunteer-driven organization, we must thank our guests, customers, and facility users for your valued contributions, energy, and support. You truly inspire our organization each and every day.

CORPORATE GOVERNANCE

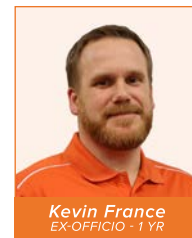
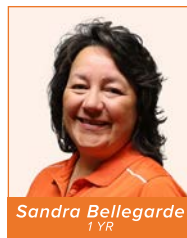
The *Regina Exhibition Association Limited (REAL)* is governed by a Board of Directors (*BOD*). REAL is a not-for-profit and municipal arms-length organization that operates the property currently known as Evraz Place. The City of Regina is the owner and sole shareholder of the REAL. REAL operates separately and independently from the City of Regina and does not have the authority to act as an agent for the City of Regina without express permission to do so. In January 2014, REAL's governance structure underwent a major shift from a community shareholder base of over 400 shareholders to a municipal arms-length organization with the City of Regina Council becoming the owner and sole-shareholder. With significant municipal investment in the assets on the site, the City of Regina required a greater degree of control over these assets. The City of Regina realized that the assets on the exhibition grounds needed to continue to operate through an entity that allowed the flexibility to operate in the space that private business would not and that at times is an area of too much risk for a municipality to operate within.

To ensure that the operating mandate empowered REAL to have the flexibility to truly take advantage of opportunities that would see the organization flourish and bring benefits to not only the city but also the province, the City of Regina thoughtfully and purposefully outlined REAL's mandate in the Unanimous Members Agreement (UMA). It is in the spirit of this mandate, the BOD have diligently fulfilled their duties to see REAL strive to achieve financial sustainability and bring prosperity to Regina.

The mandate of REAL as per the UMA is as follows:

- (a) to operate in the best interest of the community, and to enrich the quality of life for people in the community through the hosting and delivery of local, regional, national, and international events
- (b) to develop, operate and maintain facilities to provide world-class hospitality for trade, agri-business, sporting, entertainment and cultural events that bring innovation, enrichment and prosperity to the community; and
- (c) to operate with an entrepreneurial spirit and to pursue expanded business ventures that could generate additional revenue.

The BOD is made up of no more than fifteen (15) members and no fewer than seven (7). There are currently twelve (12) voting appointed directors and two (2) ex-officio (non-voting) directors – one appointed by the City of Regina and the other by the Ministry of Agriculture, Province of Saskatchewan.



The BOD is responsible for;

Governance: structures and processes to fulfill responsibilities, such as board skills matrix and recruitment, committee appointments, and governance policies, to name a few.

Talent: selecting, evaluating, and compensating the CEO and overseeing their performance targets in alignment with strategy.

Integrity: the ethical tenor of the company. Standards of honesty, integrity, and ethics. Adheres to regulatory compliance.

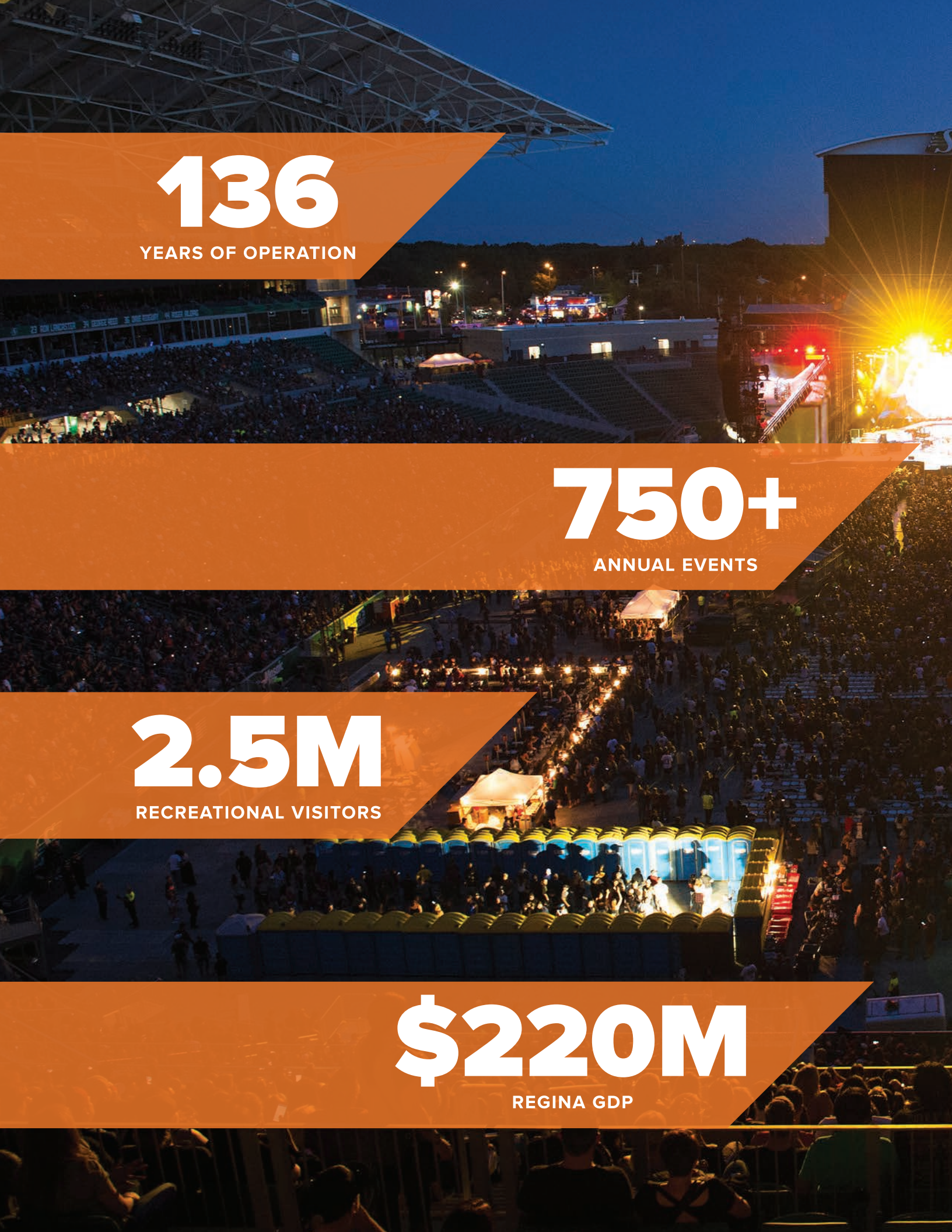
Risk: monitoring the company's strategic, operational, financial, and compliance risk exposure. Collaborates with management to set risk-tolerance levels and alignment with strategic priorities.

Performance: reviews and approves company strategy, annual operating plans, and financial plans. Monitors the execution against established budgets and alignment with the strategic objectives of the organization.

Strategy: develops strategic priorities and plans that align with the mission of the organization and in the best interest of the shareholder. Monitors the ability to execute strategy.

The BOD is assisted in performing its work by four standing committees:

- Audit and Finance Committee
- Governance and Nominating Committee
- Human Resources Committee
- Strategic Initiatives Committee



136

YEARS OF OPERATION

750+

ANNUAL EVENTS

2.5M

RECREATIONAL VISITORS

\$220M

REGINA GDP



3.7M

ANNUAL VISITORS

4,800

PROVINCIAL JOBS SUPPORTED

\$430M

PROVINCIAL GDP

REAL ESTABLISHED 1884
REGINA EXHIBITION ASSOCIATION LIMITED

 **EVRAZ**place



Evraz Place – the 100-acre property powered by the *Regina Exhibition Association Limited (REAL)* – has a rich history of bringing the community together to enjoy events of all types. Situated in the heart of Regina, the Evraz Place campus has distinguished itself as the place where everything happens, a hub for activity, and a catalyst for change in the sport and entertainment marketplace. As a not-for-profit community service organization, REAL's core purpose is to contribute to the region's collective quality of life. This purpose is achieved by providing tourism economic impact, entertainment value, local employment, non-profit group volunteer opportunities, and recreational facilities that support healthier lifestyles. Evraz Place is proud to be home to the Saskatchewan Roughriders, Regina Pats, Futbol Club Regina, University of Regina Cougars Hockey, many minor and recreational sports, and numerous concerts, trade shows, and conventions. 2019 was a monumental year for the property, a year full of firsts and the beginning of a new normal.



CANADA'S FARM SHOW



Presented By  VITERRA®

Canada's Farm Show (CFS) brings more than 30,000 producers, world-class manufacturers, exhibitors, buyers, and industry experts together for a global summit of innovation in dryland farming, technology, business, education, collaboration, and entertainment.

In 2019, organizers worked closely with an Advisory Committee of agriculture-industry experts to deliver new programming elements focused on three key pillars of innovation, collaboration, and education. The all-new 24-Hour Startup AGTECH Challenge, powered by Cultivator, drew strong crowds to the Farm Progress Forum. Forward-thinking students and entrepreneurs were brought together to solve challenges farmers are currently facing in the Ag industry. The President's Reception recognized and celebrated 22 submissions in the Innovation Program, while the VIP Program delivered an exclusive experience for exhibitors and attendees through a variety of networking and educational events.

Over 900 registered international visitors and buyers from 54 countries such as the USA, Russia, China, Australia, and the United Kingdom visited the show prepared to spend with Saskatchewan and Canadian manufacturers and exporters. In addition to domestic sales and leads, the International Business Centre saw an estimated \$357M in sales for the three-day show. There were a dozen countries that attended the show for the first time, including Japan, Sudan, Philippines, and Azerbaijan.

In 2020, Canada's Farm Show will celebrate its 43rd year by moving indoors to showcase the latest in equipment and software technology on a global stage. The world-class facilities at Evraz Place will provide the perfect backdrop for an even stronger focus on innovation and collaboration. With elements like the Innovation Launchpad, industry-leading keynote speakers, and the Alpha Bull Rodeo, exhibitors and clients will experience a new direction for the show. Dates for 2020's show will also shift to a Tuesday, Wednesday, Thursday format to allow exhibitors an additional day to move out before the weekend. With the increase of global food demand on the horizon, now is the time for Canada's Farm Show to redefine the show's value proposition for the future.





QCX

Queen City Ex (QCX) underwent major changes in 2019 to celebrate the 135th year of the annual exhibition, and REAL celebrated this milestone by taking the five-day summer fair back to its provincial roots and integrating agricultural elements. One of the first noticeable changes for QCX was a new visual identity tied back to both city and provincial history.

REAL invested significantly in new entertainment options this year to enhance the value of QCX, attract out-of-town visitors to Regina, and celebrate Saskatchewan and its diversity. For the first time, REAL teamed up with the Saskatchewan Roughrider Football Club (SRFC) to host a Saskatchewan Roughriders Thursday night home game during QCX offering fairgoers an incredible “Rider Day at Queen City Ex” experience. Fairgoers received free entry into the QCX with a valid Rider game-day ticket, giving excited guests access to Saskatchewan’s biggest pre-game and post-game party ever!

Another notable investment was the debut of the Pile O’ Bones Rodeo, produced by C5 Rodeo, featuring the 4th largest regular-season purse in Canada. The new QCX Esports event drew over 800 registered players to the Super Smash Bros and Fortnite tournaments, with prizes totaling \$20,000. Best of all, these new major events were FREE with gate admission!

Always a highlight at QCX, the Great Western Stage featured a diverse lineup of performers including 98 Degrees and O-Town, Tom Cochrane and April Wine, Nelly, The Washboard Union and Paul Brandt, and the Regina Symphony Orchestra & Jeans ‘n Classics performing the music of Journey & Queen closing out the night with a spectacular display of fireworks! Concert attendance was up 103% with this fantastic lineup.

These significant investments gave QCX its best attendance in 35 years, with 234,582 guests (a 21% increase) devouring mini doughnuts, candy apples, corn dogs, midway rides, and entertainment! Overall, QCX brought a \$7.1M economic impact to Regina welcoming fairgoers from across the province to join us for five days of incredible food, fun, music, shopping, memories and more at Saskatchewan’s fair!



QUEEN CITY EX
SASKATCHEWAN’S FAIR



ENTERTAINMENT

2019 will go down in history as an incredible year for entertainment on the Evraz Place campus. Mosaic Stadium hosted the Garth Brooks Stadium Tour during a record-breaking August weekend! This was Garth's first time headlining a concert in Regina, and the first-ever country music concert event held at Mosaic Stadium. Garth unleashed hit after hit while entertaining 80,000 fans across two unforgettable, sold-out nights and provided an economic impact of \$18.7 M for the province of Saskatchewan

The Brandt Centre welcomed several acts including the action-packed WWE, the magic of Cirque du Soleil, Little Big Town, Lynyrd Skynyrd, Theresa Caputo, country superstar Thomas Rhett, legendary John Fogerty and City and Colour. Canadian figure skating superstars brought the Rock the Rink Tour to the Brandt Centre which included farewell performances by Olympic greats Tessa Virtue and Scott Moir. We were honoured to host the annual First Nations University Powwow and the Regina Police Service Showcase. Canadian Western Agribition provided an unforgettable experience and continues to thrive as the best beef show in North America and the largest livestock show in Canada.

We look forward to an entertaining 2020 and continuing to deliver exceptional experiences and memories that make our community a better place.



SPORTS & REC

Mosaic Stadium hosted the **SOLD OUT** 2019 Tim Hortons NHL Heritage Classic™ featuring the Winnipeg Jets vs. Calgary Flames. This was the first-ever regular-season outdoor NHL game played in Canada, in a province without an NHL team. Media coverage was at its highest level for any event held in Saskatchewan with broadcasting spanning local, national, and international coverage, including Sportsnet, NBC, NHL International, TSN, CBC, and Sirius Radio. The event is expected to return over \$15M in economic impact to our local economy through visitor and operational expenditures.

During the sold-out NHL Heritage Classic Legacy Luncheon hosted by REAL and the Regina Chamber of Commerce, an announcement was made that solidified the lasting impact this monumental event will have on the province for years to come. NHL Commissioner Gary Bettman, alongside Flames President & CEO John Bean and Jets Executive Chairman & Governor Mark Chipman, unveiled Hockey is for Everyone, a \$300,000 scholarship for student-athletes at the University of Regina and University of Saskatchewan.

The NHL game was spectacular. During a picturesque October evening the Winnipeg Jets mounted a thrilling comeback victory over the Calgary Flames in overtime, 2-1. The legacy left behind by the NHL will have a deep impact on the long-term benefits to the hockey community and the growth of the sport in Saskatchewan.

The Saskatchewan Roughriders finished first in the CFL's west division with a 13-5 record and hosted a hard-fought division final. The oldest junior hockey franchise, the Regina Pats, hosted the electrifying Prairie Classic outdoor game against the Calgary Hitmen. The Co-operators Centre, home to Hockey Regina, the University of Regina Cougars hockey teams, the CCHL, and more kept busy with over 10,000 hours booked! The AffinityPlex, home to Futbol Club Regina, hosted thousands of players and families enjoying one of the best indoor soccer facilities in Canada.



AGRICULTURE

REAL launched a new initiative in 2019 that changed the way we deliver exceptional culinary experiences. Saskatchewan Flavours is not a single thing or a single event, it is a movement. This fundamental shift in our organization supports local producers, processors and distributors through various programs and local sourcing commitments.

Evraz Place sees 3.7 million visitors each year, and by virtue of the critical audience mass who visit the property, we have the ability to celebrate local producers and the food they produce each time we bring people together to enjoy events of all types. Our dedication to Saskatchewan Flavours is not only about doing our part to support the local agriculture industry, but it also aligns with our corporate mission to deliver exceptional experiences and foster meaningful memories that make our community a better place.

As part of Saskatchewan Flavours, REAL released a Saskatchewan Flavours menu, which connects our guests with local producers and shares the benefits of choosing local ingredients. Our culinary team works with local suppliers and partners to increase our use of locally sourced ingredients to meet our five-year goal of using 40 per cent local ingredients. By integrating local ingredients into our menu and offering new events with a local food and beverage focus, our guests have been able to experience Saskatchewan's agriculture excellence first hand.

BUSINESS

REAL hosted over 180,000 people at 665 meetings, lifestyle, trade, and consumer events in 2019. Our utilization during the 2019 fiscal year increased overall by eight per cent from 2018.

We were honored to partner with several community organizations on their events in 2019 including: Annual Big Brothers & Big Sisters of Regina Fundraising Gala, Soup Sisters and Broth Brothers, Annual Astonished Gala, Futbol Club First Annual Mother's Day Brunch and Mosaic Pavilions at the Mosaic, A Festival of Cultures.

Event Highlights:

- Industrial Safety Seminar
- Inspiring Leadership Forum 2019,
International Trade Centre
- 2019 Night with STARS,
International Trade Centre
- Swinging with the Stars,
International Trade Centre
- Saskatchewan Party Premiers Dinner,
International Trade Centre
- Sasktel Plaza of Honor,
Mosaic Stadium Field
- The Red Gala,
held at the Mercedes Benz Dealership
- Heritage Classic Legacy Luncheon,
International Trade Centre
- Conservative Party of Canada Election Headquarters,
International Trade Centre
- RV Show and Sale featuring
– Over 400 RV's
- What Women Want
– Over 100 exhibitors
- Spring Home Show
– Over 300 exhibitors
- Our Best To Hand Made Market, Spring & Fall
– Over 200 exhibitors
- Canada's Farm Show
– Over 500 exhibitors

FINANCIAL STATEMENTS

MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL STATEMENTS

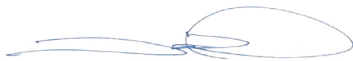
The accompanying financial statements of The Regina Exhibition Association Limited operating Evraz Place have been prepared by the Association's management in accordance with Canadian public sector accounting standards and necessarily include some amounts based on informed judgement and management estimates.

To assist management in fulfilling its responsibilities, a system of internal controls has been established to provide reasonable assurance that the financial statements are accurate and reliable and that assets are safeguarded.

The Board of Directors have reviewed and approved these financial statements.

These financial statements have been examined by the independent auditors, MNP LLP, and their report is presented separately.

March 25, 2020



Tim Reid

President and CEO

Independent Auditor's Report

To the Directors of The Regina Exhibition Association Limited:

Opinion

We have audited the financial statements of The Regina Exhibition Association Limited (the "Organization"), which comprise the statement of financial position as at December 31, 2019, and the statements of loss, changes in net assets and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Organization as at December 31, 2019, and the results of its operations, changes in its net assets, and its cash flows for the year then ended in accordance with Canadian public sector accounting standards for government not-for-profit organizations.

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Organization in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Information

Management is responsible for the other information. The other information comprises of the Annual Report.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. We obtained the Annual Report prior to the date of this auditor's report. If, based on the work we have performed on this other information, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with Canadian public sector accounting standards for government not-for-profit organizations, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Organization's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Organization or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Organization's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Independent Auditor's Report Continued

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Organization's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Organization's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Organization to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Regina, Saskatchewan

March 25, 2020

MNP LLP

Chartered Professional Accountants

The Regina Exhibition Association Limited

operating Evraz Place

Statement of Financial Position

As at December 31, 2019

	2019	2018
	\$	\$
Assets		
Current assets		
Cash	540,740	602,617
Accounts and grants receivable	2,222,353	8,676,030
Inventories	412,696	536,741
Supplies and prepaid expenses	258,250	216,690
	<u>3,434,039</u>	<u>10,032,078</u>
Capital assets (note 4)	<u>93,745,026</u>	<u>99,130,461</u>
	<u>97,179,065</u>	<u>109,162,539</u>
Contractual rights (note 14)		
Liabilities and Net Assets		
Current liabilities		
Bank indebtedness (note 3)	1,346,524	1,596,349
Accounts payable and accrued liabilities	4,858,761	9,932,617
Deferred revenue and deposits	1,013,368	1,268,462
Current portion of long-term debt (note 5)	1,320,340	1,318,111
	<u>8,538,993</u>	<u>14,115,539</u>
Term loans due on demand (note 5)	<u>4,863,135</u>	<u>-</u>
	<u>13,402,128</u>	<u>14,115,539</u>
Long-term debt (note 5)	<u>-</u>	<u>5,283,474</u>
Deferred grants and other contributions (note 6)	<u>82,121,750</u>	<u>85,912,623</u>
	<u>95,523,878</u>	<u>105,311,636</u>
Contractual obligations (note 15)		
Commitment (note 16)		
Share capital (note 8)	<u>10</u>	<u>10</u>
Investment in capital assets	<u>5,439,800</u>	<u>6,616,252</u>
Accumulated deficit	<u>(3,784,623)</u>	<u>(2,765,359)</u>
Net assets	<u>97,179,065</u>	<u>109,162,539</u>

The accompanying notes are an integral part of these financial statements.

Approved by the Board:

Director

Director

The Regina Exhibition Association Limited

operating Evraz Place

Statement of Loss

For the year Ended December 31, 2019

	2019	2018
	\$	\$
Revenues		
External funding (note 11)	2,884,449	3,718,104
Event sales and recoveries	15,064,681	13,046,701
Rental and lease revenue	10,053,547	9,663,558
Sponsorship sales	2,524,801	2,314,417
Food and beverage	14,291,962	14,649,011
	44,819,440	43,391,791
Expenses		
Contracted labour	2,302,651	1,911,466
Cost of goods sold	5,080,927	5,330,585
Repairs and maintenance	2,047,753	1,697,235
Administration, supplies, and services	12,543,154	10,615,067
Utilities	3,552,678	3,462,322
Wages and employee benefits	19,128,199	19,671,939
	44,655,362	42,688,614
Earnings before amortization, interest and other income	164,078	703,177
Amortization	5,960,527	5,980,608
Interest on long term debt	278,660	215,362
Loss before contributed capital and interest earned	(6,075,109)	(5,492,793)
Contributed capital and interest earned	3,879,393	3,933,314
Net loss for the year	(2,195,716)	(1,559,479)

The accompanying notes are an integral part of these financial statements.

The Regina Exhibition Association Limited

operating Evraz Place

Statement of Changes in Net Assets

For the year ended December 31, 2019

	Share capital \$	Investment in capital assets \$	Accumulated (deficit) \$	2019 \$	2018 \$
Balance, beginning of year	10	6,616,252	(2,765,359)	3,850,903	5,410,382
Net loss for the year	-	-	(2,195,716)	(2,195,716)	(1,559,479)
Amortization	-	(5,960,527)	5,960,527	-	-
Capital contributions deferred	-	(56,625)	56,625	-	-
Capital contributions recognized	-	3,847,498	(3,847,498)	-	-
Investment in capital assets during the year	-	575,092	(575,092)	-	-
Net change in long term debt	-	418,110	(418,110)	-	-
Balance, end of year	10	5,439,800	(3,784,623)	1,655,187	3,850,903

The accompanying notes are an integral part of these financial statements.

The Regina Exhibition Association Limited

operating Evraz Place

Statement of Cash Flows

For the year ended December 31, 2019

	2019	2018
	\$	\$
Operating activities		
Net loss for the year	(2,195,716)	(1,559,479)
Items not affecting cash		
Amortization	5,960,527	5,980,608
Deferred capital contributions recognized	(3,847,498)	(3,922,017)
	(82,687)	499,112
Net increase (decrease) in non-cash working capital balances related to operations (note 7)	414,012	(2,306,143)
Net cash generated through operating activities	331,325	(1,807,031)
Financing activities		
Advance of long-term debt	1,000,000	9,414,490
Repayment of long-term debt	(1,418,110)	(2,975,540)
Contributions received	600,000	632,211
Net cash generated through financing activities	181,890	7,071,161
Investing activities		
Purchase of capital assets	(575,092)	(5,459,510)
Decrease in cash during the year	(61,877)	(195,380)
Cash, beginning of year	602,617	797,997
Cash, end of year	540,740	602,617

The accompanying notes are an integral part of these financial statements.

The Regina Exhibition Association Limited

Operating Evraz Place

Notes to the Financial Statements

For the year ended December 31, 2019

1. Description of operations

The Regina Exhibition Association Limited (the Association) is a not-for-profit organization that operates the 100-acre Evraz Place property in the City of Regina. The Association was incorporated in 1907 by "An Act to incorporate The Regina Exhibition Association Limited", being Chapter 41 of the Statutes of Saskatchewan, 1907. The Association transitioned to The Non-profit Corporations Act, 1995 (Saskatchewan), on January 1st, 2014 under an Order in Council approving the Association's Articles of Continuance, which were passed by a special resolution of the shareholders on May 1, 2012. Since the Association is a not-for-profit organization it is not subject to federal or provincial income taxes.

2. Significant accounting policies

The financial statements have been prepared in accordance with Canadian public sector accounting standards for government not-for-profit organizations.

Preparation of financial statements requires management to make estimates and assumptions that affect the reported amount of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amount of revenue and expenses during the year. These estimates are reviewed periodically and adjustments as necessary are reported in the period of review. Significant areas requiring the use of management estimates is the useful life of long-lived assets and allowance for doubtful accounts.

a) Inventories

Inventory is valued at the lower of cost and net realizable value. Net realizable value is the estimated selling price in the ordinary course of business. Inventory consists of merchandise, food and beverages.

b) Capital assets

Capital assets are recorded at cost. Amortization is recorded over the estimated useful life of the assets as follows:

Buildings	-straight-line over 10 to 30 years
Equipment	-straight-line over 3 to 20 years

c) Long-lived assets

Long-lived assets consist of buildings and equipment. Long-lived assets held for use are measured and amortized as described in the applicable accounting policies.

The Association performs impairment testing on long-lived assets held for use whenever events or changes in circumstances indicate that the carrying amount of an asset, or group of assets, may not be recoverable. The carrying amount of a long-lived asset is not recoverable if the carrying amount exceeds the sum of the undiscounted future cash flows from its use and disposal. If the carrying amount is not recoverable, impairment is then measured as the amount by which the asset's carrying amount exceeds its fair value. Any impairment is included in earnings for the year.

d) Revenue recognition

Event sales and recoveries, rental and lease revenue as well as food and beverage are recognized as services are provided. Sponsorship sales and external funding are recognized based on the terms of the contract.

2. Significant accounting policies (continued from previous page)

e) External funding

External funding received by the Association is accounted for as follows:

- i) External funding to assist with the financing of capital asset additions are recorded as deferred capital contributions (see note 6). The portion of the external funding equivalent to the annual amortization expense of the related asset is recognized annually as external funding.
- ii) External funding that are restricted and not specifically intended for capital asset additions are recorded in revenue in the period the related expenses are incurred.
- iii) Contributed materials and services are measured at fair value at the date of contribution if fair value can be reasonably estimated.

f) Financial instruments

All financial instruments are initially recognized at fair value. The fair value of a financial instrument is the amount of consideration that would be agreed upon in an arm's length transaction between knowledgeable, willing parties who are under no compulsion to act. The fair value of a financial instrument on initial recognition is the transaction price, which is the fair value of the consideration given or received.

All of the Association's financial instruments are measured at amortized cost following initial recognition.

When an impairment is indicated, and when actual impairment has occurred, the financial instrument's carrying amount is reduced to its realizable value.

3. Bank indebtedness

The Association has an authorized line of credit with HSBC for \$3,000,000 at rate of prime - 0.25%. The balance outstanding on the line of credit is \$1,366,752 consisting of \$1,346,524 on the line of credit (2018 - \$1,596,349) and \$20,228 in outstanding items.

4. Capital assets

	Cost		Accumulated amortization		Net book value	
	2019	2018	2019	2018	2019	2018
	\$	\$	\$	\$	\$	\$
Buildings	123,589,724	140,206,177	34,560,202	46,761,766	89,029,522	93,444,411
Equipment	8,752,241	13,434,772	4,036,737	7,748,722	4,715,504	5,686,050
	132,341,965	153,640,949	38,596,939	54,510,488	93,745,026	99,130,461

5. Term loans due on demand and long-term debt

	2019	2018
	\$	\$
Term demand loan up to \$5,000,000 payable to HSBC with 1 (one) annual principal payment of \$1,000,000. Interest is paid monthly at prime - 0.25%. Due in May, 2023.	3,900,000	4,000,000
Term demand loan up to \$4,000,000 payable to HSBC in 5 (five) annual principal payments of \$280,000 based on the 10-year repayment period. Interest is paid monthly at prime - 0.25%. Due in May, 2023.	2,211,340	2,491,339
Term demand loan payable to RCAP in monthly payments of \$3,617 including interest at 5.7%. Specific equipment is pledged as security. Due in September, 2021.	72,135	110,246
	6,183,475	6,601,585
Less: current portion	1,320,340	1,318,111
	4,863,135	5,283,474
Less: term loans due on demand	4,863,135	-
	-	5,283,474

5. Term loans due on demand and long-term debt (continued from previous page)

The City of Regina has guaranteed all credit facilities with HSBC.

The terms of the long-term debt with HSBC requires that certain measurable covenants be met. As at December 31, 2019, the Association was in violation of certain covenants.

The estimated principal payments in the next five years are as follows:

2020	1,320,340
2021	1,311,795
2022	1,280,000
2023	2,271,340
2024	-
	<u>6,183,475</u>

6. Deferred grants and other contributions

	2019 \$	2018 \$
Opening deferred grants and other contributions	85,912,623	86,899,704
Amounts received in year	600,000	632,211
Amounts transferred from deferred revenue and deposits	(543,375)	2,302,725
Amounts recognized in year	(3,847,498)	(3,922,017)
Ending deferred grants and other contributions	<u>82,121,750</u>	<u>85,912,623</u>

7. Net increase in non-cash working capital balances related to operations

	2019 \$	2018 \$
Accounts and grants receivable	6,453,677	(2,433,015)
Inventories	124,045	4,189
Supplies and prepaid expenses	(41,560)	(160,492)
Long-term accounts receivable	-	200,000
Bank indebtedness	(249,825)	1,596,349
Accounts payable and accrued liabilities	(5,073,856)	(2,301,903)
Deferred revenue, deposits, grants and other contributions	<u>(798,469)</u>	<u>788,729</u>
	<u>414,012</u>	<u>(2,306,143)</u>

8. Share capital

	2019 \$	2018 \$
Issued - 1 share (2018 - 1 share)	<u>10</u>	<u>10</u>

9. Financial risk management

The Association has a risk management framework to monitor, evaluate and manage the principal risks assumed with financial instruments. The significant financial risks to which the Association is exposed are as follows:

Currency risk

The Association is not exposed to significant foreign currency risk.

Credit risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. The Association is exposed to credit risk on the accounts receivable from its customers.

9. Financial risk management (continued from previous page)

In order to reduce its credit risk, the Association has adopted credit policies, which include the review of a new customer's credit history and financial position before extending credit and conducting regular reviews of its existing customers' credit performances to reflect the Association's credit policies. The Association has incurred insignificant bad debt expense.

Liquidity risk

The Association's objective is to have sufficient liquidity to meet its liabilities when due. The Association manages liquidity risk through cash flow forecasting and regular monitoring of cash requirements to ensure that it has sufficient funds to fulfill its obligations.

Interest rate risk

Interest rate risk is the risk that the value of a financial instrument might be adversely affected by a change in interest rates. Changes in market interest rates may have an effect on the cash flows associated with some financial assets and liabilities, known as cash flow risk, and on the fair value of the other financial assets and liabilities, known as price risk. The Association is exposed to interest rate cash flow risk with respect to its line of credit, which is subject to a floating interest rate (note 3) and on certain long-term debt (note 5).

10. Financial instruments

The Association's recognized financial instruments consist of cash, accounts and grants receivable, bank indebtedness, accounts payable and accrued liabilities, and term loans due on demand and long-term debt. The fair value of cash, accounts and grants receivable, accounts payable and accrued liabilities approximates carrying value given the short-term nature of the amounts. The fair value of term loans due on demand and long-term debt approximate carrying value based on the terms of the debt agreements.

11. External funding

On November 22 1997, the Association ceased operating its casino. In accordance with an agreement between the Association and the Province of Saskatchewan, a 30 year agreement was entered into whereby the Association will receive \$2,600,000 annually to maintain its earnings.

12. Contingencies

The Association is subject to certain legal matters arising in the normal course of business, none of which are expected to materially affect the financial results of the Association.

13. Related parties

During the year the Association conducted business with the City of Regina in the normal course of operations and at prices equivalent to unrelated purchases, as follows:

	2019	2018
	\$	\$
Revenue for the year:		
External funding	1,495,805	2,258,325
Event sales and recoveries	4,462,240	4,355,074
Rental and lease revenue	1,814,466	1,818,040
Food and beverage	58,432	35,462
Expenses for the year:		
Contracted labour	115,623	6,966
Administration, supplies, and services	446,985	435,276
Utilities	267,452	267,154
Accounts receivable	52,968	2,193,730
Accounts payable	192,379	3,603,132
Capital purchases	-	135,150

The buildings and other facilities of the Association are located on the land that belongs to the City of Regina. Such land is being used by the Association at no consideration.

14. Contractual rights

Effective April 11, 2018, the Association entered into a 3 (three) year and 9 (nine) month Operating & Maintenance agreement with the City of Regina for Mosaic Stadium. The contract includes a renewal term for 5 (five) consecutive terms of 5 (five) years each. The Association is paid an annual base building fee to operate and maintain the stadium as well as a game day fee to provide services to the Saskatchewan Roughrider Football Club.

The Association has signed agreements with various other organizations and companies that provide the Association with the contractual right to future revenue streams.

Future collections from the stadium Operating & Maintenance agreement with the City of Regina and other funding and sponsorship agreements are estimated as follows:

Year	Amount
2020	5,664,504
2021	5,082,327
2022	5,100,685
2023	5,119,593
2024	5,139,069

15. Contractual obligations

Effective April 11, 2018, the Association entered into a 3 (three) year and 9 (nine) month Operating & Maintenance agreement with the City of Regina for Mosaic Stadium. The contract includes a renewal term for 5 (five) consecutive terms of 5 (five) years each. Under the terms of this agreement, the Association has the exclusive right and license to provide food and beverage services. The Association has agreed to repay the City of Regina for the funding required to complete the food and beverage areas. The repayment is an annual fee of \$300,000.

Year	Amount
2020	300,000
2021	300,000
2022	300,000
2023	300,000
2024	300,000

16. Commitment

As at December 31, 2019, the Association has a funding commitment of \$4,008,000 to the City of Regina towards the construction of Food & Beverage assets in Mosaic Stadium.

17. Comparative figures

Certain prior year figures have been reclassified to conform to current year's presentation.

18. Subsequent events

Subsequent to year-end, there was a global outbreak of COVID-19 (coronavirus), which has had a significant impact on businesses through the restrictions put in place by the Canadian, provincial and municipal governments regarding travel, business operations and isolation/quarantine orders. At this time, it is unknown the extent of the impact the COVID-19 outbreak may have on the Association as this will depend on future developments that are highly uncertain and that cannot be predicted with confidence. These uncertainties arise from the inability to predict the ultimate geographic spread of the disease, and the duration of the outbreak, including the duration of travel restrictions, business closures or disruptions, and quarantine/isolation measures that are currently, or may be put, in place by Canada and other countries to fight the virus. While the extent of the impact is unknown, we anticipate this outbreak will cause reduced customer demand, supply chain disruptions, staff shortages, and increased government regulations, all of which will negatively impact the Association's business and financial condition.



The Regina Exhibition Association Limited (REAL)
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